

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, JANUARY 10, 2017, 9:30 A.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Tony Klein, Sharon Casey, John Calvin, Mike Luken, Ted Hustead, Don Kettering, Pat Prostrollo, Tom Jones and Norbert Sebade

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Ashley Moore, Katelyn Hump, Natalie Likness, Mary Lehecka Nelson and Steve Watson

Other Staff Present

Sam Helma - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 9:33 a.m.

Agenda

A motion was made by Sharon Casey and seconded by Norbert Sebade to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Tony Klein and seconded by Mike Luken to approve the minutes of the meetings held December 13, 2016 and January 3, 2017, as presented.

Motion passed by a roll call vote.

Conflicts Disclosure – Chairman Erickson opened the floor for committee members to identify potential conflicts under SDCL Chapter 3-23. There were none from board members and no objection to proceeding with the agenda.

Executive Session

A motion was made by Pat Prostrollo and seconded by Don Kettering to enter into executive session at 9:54 a.m. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion passed by a roll call vote.

Executive Session Report

The Chairman declared the board out of executive session at 10:32 a.m. The Chairman reported that the Board of Economic Development entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action was taken.

A motion was made by Sharon Casey and seconded by Dale Clement to approve the chairman's report from executive session.

Motion passed by a roll call vote.

New Business

Intrinsic Materials Corp.

A motion was made by Don Kettering and seconded by Sharon Casey to approve the loan request to Intrinsic Materials Corp. in the amount of \$672,949. Secured by a shared first REM, a shared security deposit account and a corporate guaranty.

The loan is approved according to the terms and conditions of the commitment letter; all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.
Motion passed by a roll call vote.

Red's All Natural, LLC

A motion was made by Tony Klein and seconded by Dale Clement to approve the waiver for a loan over \$1,000,000.

Motion passed by a roll call vote.

Red's All Natural, LLC

A motion was made by Pat Prostrullo and seconded by Tony Klein to approve the loan request to Red's All Natural, LLC in the amount of \$1,490,197. Secured by a sole first position on the equipment and the personal guarantee of a principal with 10% or more ownership.

The loan is approved according to the terms and conditions of the commitment letter; all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.
Motion passed by a roll call vote

Reinvestment Payment Program

Red's All Natural, LLC

A motion was made by Mike Luken and seconded by Dale Clement to approve the Reinvestment Payment application to Red's All Natural, LLC as recommended by staff in the board packet.

Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, a new or expanded facility reinvestment payment of \$132,901 but not to exceed 100 percent of State Sales/Use Tax paid on eligible project costs, is approved for Red's All Natural. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.

Motion passed by a roll call vote.

Bills

A motion was made by Ted Hustead and seconded by Don Kettering to approve the bill payable to PIDC in the amount of \$8,325.00.
Motion passed by a roll call vote.

Adjourn

A motion was made by Tony Klein and seconded by Dale Clement to adjourn the meeting at 10:37 a.m.
Motion passed by a roll call vote.

Dale Clement, Secretary or
Tony Klein, Treasurer